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Workers' Compensation Package Unveiled to Address Needed Reforms

The proof is in the premiums.

Last year, the State Legislature passed a major reform package to stop the skyrocketing workers' compensation rates. This reform package was able to overcome the special interests that fought to keep the system in place. Without these reforms to halt skyrocketing rates, California businesses would have packed up and fled the state for more business-friendly climates.

We know most rates have stopped rising, however; it is still early to know how significant the reforms will lower rates. The Schwarzenegger Administration continues to indicate rates will continue to decline – but like I said earlier, the proof is in the premiums.

News of the Week

Silverado High School to Perform Mock Gay Marriage Ceremony on Campus

<u>Silverado High School Scheduled to</u> Perform Gay Marriage Ceremony Today

Schwarzenegger names Republican Former Senator Bruce
McPherson to Secretary of State post

Governor Schwarzenegger Weighs In on Split of LAUSD

Vote Approved on Santa Paula Hospital Plan

Reagan Postal Stamp Released

Runner Introduces Bill To Update Food Safety Standards

Editorial: Innovative Solutions to Relieve Truck Traffic on Our Freeways (Published in the Santa Clarita Signal)

However, there are areas of reform that were not addressed in last year's workers' compensation package. That is why Senator Chuck Poochigian (R-Fresno) and I will be joint authoring a workers' compensation fraud bill and I will be co-authoring two other legislative reform bills that were introduced by Senator Poochigian, who has been our lead Republican negotiator in the Senate on this critical issue.

Workers' Compensation Fraud (Senate Bill 179): Fraud is a huge problem with workers' compensation claims. Fraud increases costs and it is difficult to investigate. This proposal will help address some of the problems with fraud and provides the Fraud Assessment Commission more authority over the system by providing it with independent staff. It will also improve fraud enforcement efforts at the local level by allowing the state to provide three-year grants instead of one. Our businesses that pay for this program deserve more effective enforcement and prosecution of fraud.

Group Self-Insurance (Senate Bill 178): This legislation will provide more flexibility and options for California businesses. Specifically, it will allow more medium-size employers the opportunity to join group self-insurance plans. It is believed that group self-insurance offers employers more control over their workers' compensation claims and financial savings over traditional insurance plans. The bill will also

strengthen requirements that these new group self-insurance pools, once established, remain financially sound.

Alternative Dispute Resolution (Senate Bill 177): SB 177 will allow the state to use Alternative Dispute Resolution in managing the state's workers' compensation claims. Current law provides this option to self-insured employers and insured employers that have unionized workforces. The state is a legally uninsured employer and is unable to establish an Alternative Dispute Resolution under existing law.

Workers' compensation is the most important issue facing our businesses. We need to ensure that our system is fixed and these measures will help to bring costs down, provide more flexibility, and establish more tools to eliminate fraud.

If you would like to contact Senator Runner, please click here: Email - Website

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